

Message Text

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PAGE 01 BUDAPE 02407 211303Z
ACTION FBO-05

INFO OCT-01 EUR-12 ISO-00 A-01 L-03 SSO-00 /022 W

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O 211145Z JUL 77

FM AMEMBASSY BUDAPEST

TO SECSTATE WASHDC IMMEDIATE 0000

LIMITED OFFICIAL USE BUDAPEST 2407

FOR A, A/FBO, EUR/EX, EUR/EE, L/M

E.O. 11652: NA

TAGS: ABLD AFSP FPOL HU

SUBJECT: BUDAPEST PROPERTY NEGOTIATIONS

1. SUMMARY: DSD DIRECTOR AMB NEMETY CHAIRED TODAY'S MEETING AND TOLD TEAM THAT THE AMERICAN EVALUATIONS SO SURPRISED THE HUNGARIAN TEAM THAT THEY HAVE NOT YET BEEN ABLE TO COME UP WITH APPROPRIATE EVALUATIONS. NEMETY PROPOSED A PROTOCOL FOR SIGNATURE TERMINATING THE DISCUSSION JULY 21 AND SAID GOH NEEDS UNTIL OCTOBER TO ALLOW FINANCE MINISTRY TO RETHINK THE PROBLEM. U.S. TEAM TABLED ITS DRAFT MEMORANDUM OF AGREEMENT AS A BASIS FOR FUTURE DISCUSSIONS AND SETTLEMENT AND EXPLAINED SOME OF ITS TERMS. ALTHOUGH DSD PROPOSED TERMINATION OF DISCUSSIONS AT THIS MORNING'S MEETING, WE HAVE ARRANGED TO MEET WITH TME FRIDAY AT 2:00 P.M. TO FURTHER DISCUSS OUR PROPOSAL. END SUMMARY.

2. THE DSD PROTOCOL WOULD STATE:

A. GOH WILLING TO BUY ALL NINE PROPERTIES:

B. GOH IS LOOKING FOR A SOLUTION OF THE ROOSEVELT
TER PROPERTY PROBLEM THAT IS ACCEPTABLE TO BOTH SIDES
(BUT THEN NENETY BLEW THIS ONE BY SAYING IT WAS HIS
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OWN OPINION, NOT OFFICIAL);

C. GOH ASSURES USG A SITE (LONG-TERM LEASE) FOR
AN OFFICE BUILDING, WITH BUILDING TO BE CONSTRUCTED AND
OWNED BY USG UNDER PROVISIONS TO BE SETTLED LATER; AND

D. THE FORINTS PAID TO USG WILL BE AVAILABLE FOR

USG USE ON CONSTRUCTION OF THE OB.

3. CHARGE EXPRESSED U.S. TEAM'S COMPLETE DISAPPOINTMENT IN THE DSD RESPONSE. NOTED HE HAD EMPHASIZED TO MFA, BEFORE U.S. TEAM LEFT, THAT IT WAS IMPORTANT THAT HUNGARIAN TEAM BE AUTHORIZED TO SETTLE AND NOW IT APPEARS THE ESSENTIAL FINANCE MINISTRY OFFICER IS NOT EVEN IN THE CITY. WE HAVE BEEN HERE TEN DAYS AND HAVE NOT RECEIVED ANYTHING FROM THE HUNGARIAN SIDE WHICH WOULD FORM A BASIS FOR NEGOTIATIONS. NEMETY SAID FINMIN NEEDS UNTIL OCTOBER TO RE-EVALUATE ITS POSITION.

4. CHARGE THEN TABLED OUR DRAFT MEMO OF AGREEMENT. IT WAS EXPLAINED IN CONCEPT AND AGREED THAT THE TWO TEAMS WILL MEET FRIDAY AT 2:00 P.M. TO SEE IF WE CAN LEAVE IT BEHIND AS A USEFUL TOOL FOR FUTURE NEGOTIATIONS.

5. TEAM PLANS FOLLOWING DEPARTURES:

A. JONES IS LEAVING THIS EVENING FOR VIENNA AND FOR NEW YORK ON FRIDAY.

B. BASKEY AND SWAN WILL LEAVE SATURDAY MORNING PA FOR BRUSSELS AND LONDON, RESPECTIVELY, IF SWAN'S TRAVEL ORDERS AMENDED BY RETURN CABLE. IF LONDON STOP AUTHORIZED, SWAN WOULD RETURN TO WASHINGTON TUESDAY LIMITED OFFICIAL USE

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AFTERNOON.

C. CHARGE AND GERTH HAVING LUNCH WITH AMB BARTHA, MFA DIRECTOR OF NORTH AMERICAN AFFAIRS, IN ORDER TO DISCUSS BILATERAL RELATIONS IN LIGHT OF THIS AND OTHER RECENT DEVELOPMENTS. GERTH PLANS ARRIVE WASHINGTON LATE AFTERNOON JULY 26.
MUDD

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NEGOTIATIONS, REAL PROPERTY DISPOSAL, GOVERNMENT REACTIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 21-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BUDAPE02407
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
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Executive Order: N/A
Errors: N/A
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Format: TEL
From: BUDAPEST
Handling Restrictions: n/a
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ISecure: 1
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Litigation Codes:
Litigation History:
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TAGS: ABLD, AFSP, BFOL, HU, US
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